

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION JOINT APPROPRIATIONS SUBCOMMITTEE ON LONG RANGE PLANNING

Call to Order: By **CHAIRMAN MATT MCCANN**, on January 25, 2001 at 8:00 A.M., in Room 350 Capitol.

ROLL CALL

Members Present:

Rep. Matt McCann, Chairman (D)
Sen. Bob Keenan, Vice Chairman (R)
Sen. Tom A. Beck (R)
Rep. Dave Kasten (R)
Sen. Jon Tester (D)
Rep. Steve Vick (R)

Members Excused: None.

Members Absent: None.

Staff Present: Jane Hamman, OBPP
Brian McCullough, Legislative Branch
Jon Moe, Legislative Branch
Christi Tyson, OBPP

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 6, 1/22/2001; HB 7,
1/22/2001; HB 9, 1/22/2001;
Executive Action: HB 6; HB 7

HEARING ON HB 7

{Tape : 1; Side : A; Approx. Time Counter : 0 - 30}

CHAIRMAN MCCANN opened the hearing on HB 7.

Questions from Committee Members and Responses:

CHAIRMAN MCCANN stated that before the committee would take executive action, they would have a presentation by the Bureau of

Land Management (BLM) and the Environmental Protection Agency (EPA) regarding the Zortman and Landusky Mines.

{Tape : 1; Side : A; Approx. Time Counter : 13 - 28}

Scott Haight, Mineral Resource Specialist, BLM of Lewistown, stated that the BLM is committed to working with the state as partners in overseeing the reclamation and assisting in funding. It is a priority for the Montana BLM to participate in this project. He said, unfortunately, the budget priorities are set at the Washington level; so, while the Montana BLM makes this project a priority for funding, it needs to be approved by headquarters in Washington. He said the Montana BLM has contributed over \$500,000.00 to the state in assisting with water treatment plant operations, EIS preparation and staff time.

{Tape : 1; Side : A; Approx. Time Counter : 30}

Curt Chisholm, Deputy Director, Department of Environmental Quality (DEQ) provided a handout entitled "Zortman-Landusky Reclamation Bond Summary. **EXHIBIT(jlh20a01)** **Mr. Chisholm** stated that this handout gives a global perspective on the amount of funds that is available at the Zortman-Landusky site for reclamation purposes and to identify the contributions made by EPA and BLM. He proceeded to describe the chart in detail.

{Tape : 1; Side : A; Approx. Time Counter : 130}

Questions from Committee Members and Responses:

SEN. BECK questioned the total cost of the second Environmental Impact Study (EIS). **Mr. Chisholm** responded that the DEQ Director, Jan Sensibaugh, had just met with the Tribes, BLM and environmental groups and they feel the \$420,000 the DEQ has received to-date from the federal agencies is sufficient to complete the supplemental EIS (SEIS).

REP. VICK questioned what the trust fund was for and who controls it. **Mr. Chisholm** responded it was agreed to as a result of a federal consent decree entered into by all the parties to the lawsuit back in 1996. The idea was to establish a trust fund of \$15 million to be available to be a self perpetuating trust fund for a 101 years beyond 2017. The obligation for Pegasus at the time was to buy par value federal securities beginning in 1996 for the next five years, in descending value, until they had purchased five securities which would mature in 2017 at \$15 million. Four of those securities have been purchased, the fifth (and final) security needs to be purchased to complete the trust fund.

REP. VICK asked if this was controlled by the DEQ. **Mr. Chisholm** replied it was originally with a bank in Chicago. Since then, DEQ converted the trust fund back here in Montana; it is now with the Board of Investments. **REP. VICK** also requested an explanation of the \$67 million. **Mr. Chisholm** responded it is the total amount of all bond proceeds available to the state. Discussion followed.

{Tape : 1; Side : A; Approx. Time Counter : 200}

SEN. BECK questioned for an explanation of the state's responsibility on this project, what is the federal responsibility, and what is the Environmental Policy Act responsibility.

John Wardell, Director of the Environmental Protection Agency (EPA) Office in Helena. **Mr. Wardell** stated that from the EPA's perspective, they look at this as principally the state's responsibility; although, the EPA is there to provide assistance as appropriate. The reason is that the state has the responsibility for the bonding. The state and the BLM jointly share the responsibility for the preparation of the various EIS's that have been done at this particular site. From the beginning, from the perspective of the regulation of the day-to-day activities at the mine, that has been principally the state's responsibility. Perhaps, initially, under the Department of State Lands and when it was merged in 1995 with what became the Department of Environmental Quality; that it fell to the DEQ to care for it on a day-to-day basis. The EPA could become involved, depending on the type of approaches that are used at the site. The EPA has some oversight responsibility to the water quality area and they also administer the super fund program; at least to-date, the super fund process has been kept out of this particular mine activity.

SEN. BECK questioned that in the event the EPA comes in on a project and they do not like the plan the state has set up for the water quality; does the EPA care what it costs the state.

Mr. Wardell responded that it depends on the circumstances; they feel some obligation because of the money contributed towards the EIS and have contributed funds towards the water treatment facility. The EPA feels they have some obligation, but very clearly, they believe the principle responsibility belongs to the state at this point in time. Further discussion followed.

{Tape : 1; Side : A; Approx. Time Counter : 284-377}

SEN. TESTER asked if the EPA has looked at and evaluated the reclamation plans for this project. **Mr. Wardell** replied the EPA

is a part of the process. **Mr. Wardell** and **SEN. TESTER** discussed the funding. **SEN. TESTER** requested if he would provide him with solid figures.

{Tape : 1; Side : A; Approx. Time Counter : 378-437}

CHAIRMAN MCCANN questioned if this became a superfund site, would the EPA become the lead agency. **Mr. Wardell** said sometimes the state is in the lead and for other cases the EPA is the lead.

CHAIRMAN MCCANN asked when the supplemental EIS would be done.

Mr. Wardell said he would defer that question to the BLM and DEQ.

CHAIRMAN MCCANN asked if some of the water quality is dictated by EPA. **Mr. Wardell** responded that certainly the EPA is responsible for defining the scope of the program and then it is delegated to the state. The state is required to meet the requirements of the programs.

{Tape : 1; Side : A; Approx. Time Counter : 437-467}

SEN. BECK asked about the land and who has ownership. **Mr. Haight** said there is approximately 1200 acres between the two mines. It is divided equally: 50 percent is public land administered by BLM and 50 percent is private. **SEN. BECK** asked if there was a responsible party for the private land. **Mr. Haight** said certainly the landowner is responsible but the regulatory oversight of the private lands is exclusively the Department of Environmental Quality (DEQ) on the mine reclamation. **SEN. BECK** asked if the BLM plans on putting in half the cost in this project.

{Tape : 1; Side : B; Approx. Time Counter : 30}

Mr. Haight continued his response.

Mr. Haight replied that they will put this in their funding request that will go to the main headquarters and hopefully they will receive some funding. **SEN. BECK** questioned if the state should hold off until they see what the BLM comes up with for funding. **Mr. Haight** responded that it is up to the legislature, but the results of the EIS will also help; that report should be available in March.

{Tape : 1; Side : B; Approx. Time Counter : 41}

REP. KASTEN asked if the state could be assured after the EIS is complete that the BLM will take 50 percent of the responsibility.

Mr. Haight responded that they recognize their federal responsibility on public lands but he could not assure or

guarantee anything in regards of funding because of the appropriation process in the headquarters office in Washington.

{Tape : 1; Side : B; Approx. Time Counter : 51}

SEN. TESTER questioned if they discussed figures they will request for funding from their headquarters. **Mr. Haight** responded they talked about ways to deal with the issue of water treatment. The immediate need is to keep those water treatment plants running and they have received funding to do that for the next several years to assist DEQ. When they get to the reclamation, the actual dirt work portion, it is about \$30 million.

{Tape : 1; Side : B; Approx. Time Counter : 70}

REP. VICK stated this type of situation must have happened somewhere else in the state or in the country. **Mr. Haight** thought there was not much for guidance.

{Tape : 1; Side : B; Approx. Time Counter : 95}

CHAIRMAN MCCANN questioned the amount the BLM budget has set aside for the current biennium for Zortman and Landusky. **Mr. Haight** responded the amount would be the \$120,000 they anticipate for the supplemental environmental impact study (SEIS). That would be the amount for the rest of this year and the amount for the last fiscal year was \$419,000. **CHAIRMAN MCCANN** asked if the BLM had a projected an amount for the next fiscal year. **Mr. Haight** answered no. **CHAIRMAN MCCANN** gave a closing statement.

{Tape : 1; Side : B; Approx. Time Counter : 141}

Brian McCullough, Legislative Fiscal Division (LFD), questioned when the Montana BLM starts building the national budget request for the next biennium and what day does the fiscal year start. **Mr. Haight** said October 1st is the first day of the fiscal year and the budget request is being built right now. **Mr. McCullough** asked what is the best timing and coordination he would need from DEQ to coincide with their fiscal budget. **Mr. Haight** said they have been coordinating all along on funding resources and requests. They also looked at the grant proposals and endorsed them. He also thought that it would help the BLM if they knew what funding is available from the DEQ.

Jane Hamman, Office of Budget Program and Planning (OBPP) asked when is the final date that the BLM can amend the request for October 1st budget. **Mr. Haight** responded the EIS decision would

not be made until late summer and by then it would be too late get it in the fiscal year 2002 budget.

Discussion followed between the committee and the BLM on priorities with the abandoned mines and reclamation of mines. **CHAIRMAN MCCANN** thanked **Mr. Haight**. for his time and the hope that the relationship of working together will continue.

EXECUTIVE ACTION ON HB 7

{Tape : 1; Side : B; Approx. Time Counter : 443-470}

Brian McCullough provided a handout listing the issues to be addressed in HB 7; **EXHIBIT(jlh20a02)** and a copy of HB 7, **EXHIBIT(jlh20a03)**. He then discussed each item in detail.

{Tape : 2; Side : A; Approx. Time Counter : 0-13}

Mr. McCullough continued his review.

{Tape : 2; Side : A; Approx. Time Counter : 13-225}

John Tubbs, Chief of Resource Development Bureau of the Department of Natural Resources and Conservation (DNRC) explained HB 7 to the committee. Discussion followed between the committee and **Mr. Tubbs**, **Mr. Chisholm**, and **Mr. Haight**.

{Tape : 2; Side : A; Approx. Time Counter : 233}

CHAIRMAN MCCANN entertained a motion on Ruby Gulch with contingent language. Discussion followed.

{Tape : 2; Side : A; Approx. Time Counter : 294-339}

Motion/Vote: SEN. Vick moved that **THE RUBY GULCH FUNDING BE CONTINGENT UPON FEDERAL DOLLARS BEING APPROPRIATED FOR THIS PROJECT. BE ADOPTED AS AMENDED.** Motion carried 6-0.

{Tape : 2; Side : A; Approx. Time Counter : 340-345}

Motion: SEN. TESTER moved to strike lines 16 and 17 on page 3.

Motion/Vote: SEN. TESTER moved to **STRIKE LINES 16 AND 17, PAGE 3 OF HB 7: DEPARTMENT OF ENVIRONMENTAL QUALITY, ZORTMAN MINE-RUBY GULCH TAILINGS REMOVAL. BE ADOPTED AS AMENDED.** Motion carried 6-0.

{Tape : 2; Side : A; Approx. Time Counter : 347-466}

REP. VICK had questions regarding the oil well plugging. **Mr. Tubbs** reviewed the oil well plugging and answered questions from the committee.

{Tape : 2; Side : B; Approx. Time Counter : 30-40}

Continuation of the discussion between Mr. Tubbs and the committee.

CHAIRMAN MCCANN questioned **Mr. Chisholm** if removing \$50,000.00 from the mineral reclamation project of the Great Republic would be acceptable. **Mr. Chisholm** responded that it would be alright.

{Tape : 2; Side : B; Approx. Time Counter : 53}

CHAIRMAN MCCANN informed the committee he wanted to strike the Department of Environmental Quality on the Great Republic; line 5 of page 3, of HB 7. He would then move that money into Pondera County for additional plugging of wells. **SEN. TESTER** asked if there is a large number of wells in Pondera where the extra money would be utilized. **CHAIRMAN MCCANN** responded that it seems they are running out of funds toward the end of the bill and this would reflect that; he requested that the department respond. **Mr. Tubbs** provided further background.

{Tape : 2; Side : B; Approx. Time Counter : 84}

CHAIRMAN MCCANN entertained the motion as he described. **SEN. TESTER** so moved.

Motion/Vote: **SEN. TESTER** moved to **STRIKE DEPARTMENT OF ENVIRONMENTAL QUALITY - GREAT REPUBLIC \$50,000.00, LINE 5 ON PAGE 3 OF HB 7 AND ADD THE \$50,000 TO PONDERA COUNTY, LINE 11 ON PAGE 3; INCREASING THEIR GRANT TO \$100,000. BE ADOPTED AS AMENDED.**
Motion carried 6-0.

{Tape : 2; Side : B; Approx. Time Counter : 90}

The committee discussed the bill and funding.

{Tape : 2; Side : B; Approx. Time Counter : 204}

SEN. TESTER and **CHAIRMAN MCCANN** requested further background information on the Gregory Mine. **Sandy Olsen, DEQ** responded to their request.

Motion: SEN. TESTER made a motion to move the Gregory Mine to lines 18 and 19, just below the funding line, and moving Sheridan County Conservation District below that.

{Tape : 2; Side : B; Approx. Time Counter : 228-235}

Motion/Vote: SEN. TESTER moved that the GREGORY MINE, \$300,000.00, BE MOVED TO LINE 18, PAGE 3, JUST ABOVE SHERIDAN COUNTY CONSERVATION DISTRICT. BE ADOPTED AS AMENDED. Motion carried 5-1 with Vick voting no.

{Tape : 2; Side : B; Approx. Time Counter : 247}

CHAIRMAN MCCANN entertained a motion to pass HB 7 as amended. SEN. KEENAN so moved.

Motion/Vote: SEN. KEENAN moved that HB 7 BE ADOPTED AS AMENDED. Motion carried 6-0.

{Tape : 2; Side : B; Approx. Time Counter : 251}

The committee discussed the remainder of the agenda for the day. Brian McCullough commented that the committee needs to address the three mines that need to be struck from the old bill of 1999.

Motion/Vote: SEN. TESTER moved that HB 7 BE REOPENED. BE ADOPTED. Motion carried 6-0.

CHAIRMAN MCCANN entertained a motion to strike Toston Smelter, Frohner Mine and the Great Republic. SEN. TESTER so moved.

{Tape : 2; Side : B; Approx. Time Counter : 266}

Motion/Vote: SEN. TESTER moved that HB 7 1999 GRANTS BE STRUCK FOR: TOSTON SMELTER \$300,000.00; FROHNER MINE \$300,000.00; AND GREAT REPUBLIC \$300,000.00. BE ADOPTED AS AMENDED. Motion carried 6-0.

{Tape : 2; Side : B; Approx. Time Counter : 269}

Motion/Vote: SEN. TESTER moved that HB 7 BE ADOPTED AS AMENDED. Motion carried 6-0.

Mr. Chisholm questioned if the committee would like maps indicating land ownership of the Zortman-Landusky mines. CHAIRMAN MCCANN responded yes.

{Tape : 2; Side : B; Approx. Time Counter : 287-292}

CHAIRMAN MCCANN closed the hearing and executive action on HB 7.

{Tape : 2; Side : B; Approx. Time Counter : 293}

CHAIRMAN MCCANN requested a review of the Resource Indemnity Trust (RIT) and available dollars regarding the trust fund.

{Tape : 2; Side : B; Approx. Time Counter : 296-473}

Mr. Tubbs provided a handout entitled "RIT Distribution, 2003 Biennium Projections". **EXHIBIT(jlh20a04)** He reviewed the handout explaining the various columns and answered questions. Discussion followed.

{Tape : 3; Side : A; Approx. Time Counter : 0-65}

Mr. Tubbs continued with his explanation of the handout.

EXECUTIVE ACTION ON HB 6

{Tape : 3; Side : A; Approx. Time Counter : 66}

CHAIRMAN MCCANN opened the hearing and executive action on HB 6. He informed the committee that it is their job to decide if they would like to fund any further grants in HB 6 below the funding line with the \$1.17 million that is presented in **EXHIBIT 4** or do they want to close the bill as it now stands. He further stated that there are some projects below the funding line that are of merit, and that if they did open the bill, he suggested that they selectively identify the projects to fund; it is their prerogative. He then entertained a motion to open HB 6.

{Tape : 3; Side : A; Approx. Time Counter : 84}

Motion: **SEN. BECK** moved to open HB 6.

{Tape : 3; Side : A; Approx. Time Counter : 86}

REP. VICK questioned the negative amount in the Renewable Resources column and if a motion needs to be made to move funds to cover that amount. **Mr. Tubbs** responded. **Jane Hamman** explained further that there can be an adjustment between funds in the state's special revenue fund type. Discussion followed.

{Tape : 3; Side : A; Approx. Time Counter : 159}

Motion/Vote: SEN. BECK moved that HB 6 BE OPENED. BE ADOPTED.
Motion carried 6-0.

Mr. McCullough gave the committee a handout entitled: "Table 1, Renewable Resource Grant and Loan Program, 2003 Biennium".
EXHIBIT(jlh20a05) **Mr. McCullough** stated the funding line is located on page 4, ending at project number 40, inclusive. Discussion followed. **Mr. McCullough** also provided a copy of HB 6. **EXHIBIT(jlh20a06)**

{Tape : 3; Side : A; Approx. Time Counter : 190-338}

SEN. TESTER said he was concerned about the emergency fund in HB 6. It may or may not be used but it is \$125,000 and maybe it would be good to have it up higher. He asked what the department felt about the \$125,000.00. **Mr. Tubbs** said the money usually runs out in the biennium. He also described the effect on funding if HB 43 is passed; he would like to have more money to fund more emergency projects. **REP. VICK** suggested putting the money into HB 11. There was a discussion on how to go about putting money in to HB 11.

{Tape : 3; Side : A; Approx. Time Counter : 338-467}

CHAIRMAN MCCANN went through the list discussing the projects he would like to receive funding. **EXHIBIT (5)** Discussion followed; **Mr. Tubbs, Jim Whaley, Bob Fischer** responded to questions.

{Tape : 3; Side : B; Approx. Time Counter : 26 -209}

CHAIRMAN MCCANN continued his discussion.

{Tape : 3; Side : B; Approx. Time Counter : 210}

Motion: **SEN. KEENAN** made a motion to fund Project No. 7 at \$99,697.00.

Motion/Vote: **SEN. KEENAN** moved to **FUND FLATHEAD BASIN COMMISSION, PROJECT #7. BE ADOPTED AS AMENDED.** Motion carried 6-0.

{Tape : 3; Side : B; Approx. Time Counter : 213}

Discussion followed.

Motion: **SEN. BECK** motioned to fund the projects down to Project No. 46.

{Tape : 3; Side : B; Approx. Time Counter : 239}

Motion/Vote: SEN. BECK moved to FUND ALL PROJECTS THROUGH PROJECT NO. 46, CHARLO WATER DISTRICT. BE ADOPTED AS AMENDED. Motion carried 6-0.

Discussion followed.

{Tape : 3; Side : B; Approx. Time Counter : 243}

Motion: REP. VICK moved that if there is other funding available to move Project No. 47 and Project No. 48 to the bottom of the list and move everything else up. CHAIRMAN MCCANN clarified to move No. 47 and No. 48 to below No. 62. Discussion followed.

{Tape : 3; Side : B; Approx. Time Counter : 267}

Motion/Vote: REP. VICK moved to MOVE PROJECT NO. 47, MDNRC SEEPAGE MONITORING PROGRAM (DNRC) AND PROJECT NO. 48, MDNRC SEEPAGE MONITORING PROGRAM (FWP) BE MOVED BELOW PROJECT NO. 62. BE ADOPTED AS AMENDED. Motion carried 6-0.

{Tape : 3; Side : B; Approx. Time Counter : 272}

Brian McCullough informed the committee of further items that needed to be voted upon.

Motion: SEN. KEENAN moved to adjust Section 1. to reflect the motions that have been passed. CHAIRMAN MCCANN clarified the motion is to adjust the language of Section 1., HB 6, to reflect the correct dollar amounts.

{Tape : 3; Side : B; Approx. Time Counter : 290}

Motion/Vote: SEN. KEENAN moved to ADJUST SECTION I OF HB 6 TO REFLECT THE DOLLAR AMOUNTS OF THE MOTIONS THAT HAVE BEEN PASSED. BE ADOPTED AS AMENDED. Motion carried 6-0.

{Tape : 3; Side : B; Approx. Time Counter : 293}

Mr. McCullough provided a HB 6 amendment #HB602 (lower right corner) that was requested by SEN. TESTER, but will be carried by REP. MCCANN. EXHIBIT(jlh20a07) The purpose of this amendment is to identify the review by the legislature for those prior grants that have not started their project.

{Tape : 3; Side : B; Approx. Time Counter : 311}

Motion: SEN. KEENAN moved amendment #HB602.

Motion/Vote: SEN. KEENAN moved that AMENDMENT #HB602 (EXHIBIT 7) BE ADOPTED AS AMENDED. Motion carried 6-0.

{Tape : 3; Side : B; Approx. Time Counter : 326}

John Tubbs commented that if Butte-Silverbow is to stay on the list, then they should amend an amount down... page 5, line 26 and that if it is to be on the list, then they should be consistent. Mr. McCullough clarified it would be to adjust it downward so that it balances with the agency's recommendation. Mr. McCullough gave the committee a copy of Mr. Tubbs' suggested amendment correcting the dollar amounts. EXHIBIT(jlh20a08)

Motion: SEN. BECK so moved the amendment.

{Tape : 3; Side : B; Approx. Time Counter : 340}

Motion/Vote: SEN. BECK moved TO AMEND HB 6, PAGE 5, LINE 26. STRIKE: "88,463"; INSERT: "27,919". BE ADOPTED AS AMENDED. Motion carried 6-0.

CHAIRMAN MCCANN entertained a motion to move HB 6 as amended. SEN. TESTER so moved.

{Tape : 3; Side : B; Approx. Time Counter : 350-471}

Motion/Vote: SEN. TESTER moved that HB 6 BE ADOPTED AS AMENDED. Motion carried 6-0.

CHAIRMAN MCCANN closed the hearing and executive action on HB 6.

Discussion followed. REP. VICK discussed the need for a committee bill to address personal services. Jane Hamman provided further background.

{Tape : 4; Side : A; Approx. Time Counter : 0 - 30}

REP. VICK clarified that the change he is requesting would not require us to do this, but allow us; right now it is up to each session of the legislature to make that restriction in HB 2. The bill he is requesting to be drafted would just give them the authority to do that.

REP. VICK so moved.

{Tape : 4; Side : A; Approx. Time Counter : 7-10}

Motion/Vote: REP. VICK moved TO PREPARE A COMMITTEE BILL ON PERSONAL SERVICES BE ADOPTED. Motion carried 6-0.

HEARING ON HB 9

{Tape : 4; Side : A; Approx. Time Counter : 11-132}

The Reference book is the Governor's Budget, State of Montana, Fiscal Years 2002-2003, Montana Cultural Trust, Cultural and Aesthetic Projects Advisory Committee, Volume 6 - Cultural and Aesthetic Grants Program.

Ms. Carleen Layne gave an introduction to the book and explained how each page is setup. She provided a four page handout entitled: "Cultural and Aesthetic Project Grants Testimony Schedule", **EXHIBIT(jlh20a09)**; and updated pages for Grant No. 911, **EXHIBIT(jlh20a10)**; and Grant No. 942, **EXHIBIT(jlh20a11)**; the "Panel Comments" section has been updated. Grant No. 933, Southwest Montana Arts Council has withdrawn their request. The committee asked questions and Ms. Layne responded.

{Tape : 4; Side : A; Approx. Time Counter : 133-250}

CHAIRMAN MCCANN opened the hearing on HB 9, THE MONTANA CULTURAL TRUST.

HEARING ON SCHOOLHOUSE HISTORY AND ART CENTER

CHAIRMAN MCCANN opened the hearing on the Schoolhouse History and Art Center, NO. 960, PG. 61.

Proponents' Testimony:

Lynn Wayne, Executive Director of the Schoolhouse History and Art Center reviewed their project and spoke in favor of funding.

Jean Olson, President of the Board of Directors for Schoolhouse History and Art Center (SHAC) discussed further their project and spoke in favor of funding.

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John Williams, Mayor of Colstrip spoke in favor of funding.

REP. LINDEEN, HOUSE DISTRICT #7 spoke in favor of funding.

Opponents' Testimony: None.

Questions from Committee Members and Responses:

REP. KASTEN asked if the recommended amount of \$20,000 would be enough. **Ms. Wayne** replied yes. **SEN. TESTER** asked the source of their earned income. **Ms. Wayne** replied it has come from fund raising and grants. **SEN. TESTER** asked how many days a week the SHAC was open. **Ms. Wayne** replied five.

CHAIRMAN MCCANN closed the hearing on the **Schoolhouse History and Art Center**, NO. 960, PG. 61.

{Tape : 4; Side : A; Approx. Time Counter : 250 - 265}

CHAIRMAN MCCANN requested that the funding process be described as to the difference between the grant request amount and the grant recommendation amount.

{Tape : 4; Side : A; Approx. Time Counter : 271-417}

HEARING ON BOZEMAN SYMPHONY

CHAIRMAN MCCANN opened the hearing on the **Bozeman Symphony**, NO. 911, PG. 11; refer to updated sheet (EXHIBIT 10).

Proponents' Testimony:

Marilyn Tracz, Executive Director of the Bozeman Symphony reviewed their project and spoke in favor of funding.

Sue MaKeever, Coordinator of the Bozeman Symphony reviewed their project further and spoke in favor of funding.

Questions from Committee Members and Responses:

REP. KASTEN asked **Ms. Tracz** who in the community pays for the symphony to perform. **Ms. Tracz** said the local sponsor is charged \$260 and the rest is subsidized by the symphony. The concerts are free to the public. **REP. KASTEN** asked if any community had trouble paying and she said no.

SEN. TESTER asked how many communities are within a mile radius of Bozeman. She replied that there are 80 communities. **SEN. TESTER** asked how many requests on average does the symphony receive. **Ms. Tracz** said they receive 25 requests but they can do only 12 performances. This grant would double the number of performances.

CHAIRMAN MCCANN closed the hearing on the **Bozeman Symphony, NO. 911, PG. 11.**

{Tape : 4; Side : A; Approx. Time Counter : 418-467}

HEARING ON BUTTE SYMPHONY ASSOCIATION

CHAIRMAN MCCANN opened the hearing on the **Butte Symphony Association, NO. 944, PG. 45.**

Proponents' Testimony:

Tom Daniel, President of the Butte Symphony Association, reviewed their request for an operational support grant to help sustain operations.

{Tape : 4; Side : B; Approx. Time Counter : 25 - 80}

Mr. Daniel continued his discussion.

Questions from Committee Members and Responses:

REP. KASTEN asked about the state support money of \$10,000 and where that came from. **Mr. Daniel** said over the years they have applied for different grants from the Montana Cultural Trust. **Mr. Daniel** said the left column on page 45 is projected revenues.

SEN. TESTER asked the number of concerts their symphony performed each year. **Mr. Daniel** responded five. **SEN. TESTER** asked how many people attend the concerts. **Mr. Daniel** said between 600 and 1200. **SEN. TESTER** asked the price of a ticket. **Mr. Daniel** said for the best seat in the house (annual season ticket) would cost \$45 and all other seats are listed at \$10.

CHAIRMAN MCCANN closed the hearing on the **Butte Symphony Association, NO. 944, PG. 45.**

{Tape : 4; Side : B; Approx. Time Counter : 81-237}

HEARING ON GREAT FALLS SYMPHONY ASSOCIATION

CHAIRMAN MCCANN opened the hearing on the **Great Falls, NO. 948, PG. 49.**

Proponents' Testimony:

Carolyn Valacich, Executive Director of the Great Falls Symphony Association reviewed their project and spoke in favor of funding.

She also provided a map of the Great Falls Symphony Association Outreach Program. **EXHIBIT(jlh20a12)** She played a few minutes of a CD from Cruzatte's Fiddle; Mr. Cruzatte was a fiddle player who was a member of the Lewis & Clark Expedition.

Bill WISEMAN, a retired Representative who served the years 1993, 1995, and 1997; he spoke in favor of funding. He explained that the symphony is unique and he is involved because of the cultural history.

Questions from Committee Members and Responses:

CHAIRMAN MCCANN asked their source of revenue. **Ms. Valacich** responded the season ticket sales, they have built an endowment fund, and fund raising within the community.

CHAIRMAN MCCANN closed the hearing on the **Great Falls Symphony Association, NO. 948, PG. 49.**

Tape : 4; Side : B; Approx. Time Counter : 247-397

HEARING ON MONTANA ALLIANCE FOR ARTS ED

CHAIRMAN MCCANN opened the hearing on the **Montana Alliance for Arts Ed, NO. 925, PG. 25.**

Proponents' Testimony:

Robin Bailey, Montana Alliance for Arts Education, she explained the organization and its effect on students. She provided the committee with several of their brochures: 1) Arts Education; 2) Montana Alliance for Arts Education; 3) Why Your Child Needs The Arts; 4) Kennedy Center Alliance for Arts Education Network (KCAEN). **EXHIBIT(jlh20a13).**

Questions from Committee Members and Responses:

SEN. TESTER asked how much money comes from the John F. Kennedy Center for the Performing Arts. **Ms. Bailey** responded they can apply for one quarter of their annual operating budget. They have received between \$7000.00 and \$8000.00. She indicated that this money would be reflected under federal support. **SEN. TESTER** asked where the headquarters were located. **Ms. Bailey** said offices are in Kalispell; members and board members are across the state.

CHAIRMAN MCCANN asked when they go into a school, what actually does the program do. **Ms. Bailey** responded the program is an

outreach program which helps teachers become better and involving kids in art.

CHAIRMAN MCCANN closed the hearing on the **Montana Alliance for Arts Ed, NO. 925, PG. 25.**

{Tape : 4; Side : B; Approx. Time Counter : 398-467}

HEARING ON BILLINGS SYMPHONY SOCIETY

CHAIRMAN MCCANN opened the hearing on the **Billings Symphony Society, NO. 942, PG. 43;** refer to the updated sheet.
EXHIBIT(11)

Proponents Testimony:

Bob Griffin, Vice President of the Billings Symphony Society, reviewed their project and spoke in favor of funding. He explained the handout: **Billings Symphony Orchestra & Chorale.**
EXHIBIT(jlh20a14)

{Tape : 5; Side : A; Approx. Time Counter : 0 - 54}

Mr. Griffin continued his testimony.

Opponents' Testimony: None.

Questions from Committee Members and Responses:

CHAIRMAN MCCANN asked if he had part of his presentation from T.V. **Mr. Griffin** answered yes and he played a short piece from a concert the orchestra performed.

CHAIRMAN MCCANN closed the hearing on the **Billings Symphony Society, NO. 942, PG. 43.**

{Tape : 5; Side : A; Approx. Time Counter : 56 - 150}

HEARING ON MISSOULA SYMPHONY ASSOCIATION

CHAIRMAN MCCANN opened the hearing on the **Missoula Symphony Association, NO. 924, PG. 24.**

Proponents' Testimony:

John Driscoll, Executive Director Missoula Symphony Association, reviewed their project and spoke in favor of funding.

Questions from Committee Members and Responses:

SEN. TESTER asked if these were one day workshops or seminars and if intent of the plan is long term. **Mr. Driscoll** replied their goal is to offer the outreach program to every community in a 100 mile radius. He plans on keeping the program going but right now the program is in its infancy stage.

CHAIRMAN MCCANN clarified that they are coming in to the two communities for one day per community. **Mr. Driscoll** responded yes. **CHAIRMAN MCCANN** stated that it is worthwhile, but expressed his concern for the total project expense for two days. **Mr. Driscoll** stated it is a lot of administrative work to put the orchestra together, to coordinate and pay the 30 musicians. **CHAIRMAN MCCANN** clarified that the Missoula Symphony Association has many components in their budget and that this is only one of them. **Mr. Driscoll** responded yes. **SEN. TESTER** questioned the price of the tickets. **Mr. Driscoll** responded they are estimating \$2.00 to cover the rental of the hall.

CHAIRMAN MCCANN closed the hearing on the **Missoula Symphony Association**, NO. 924, PG. 24.

{Tape : 5; Side : A; Approx. Time Counter : 152 - 278}

HEARING ON GLACIER ORCHESTRA AND CHORALE

CHAIRMAN MCCANN opened the hearing on the **Glacier Orchestra and Chorale**, NO. 913, PG. 13.

Proponents' Testimony:

Robin Bailey, Executive Director of Glacier Orchestra and Chorale, reviewed their project and spoke in favor of funding. She said the project would help take their music on the road.

John Zoltek, Music Director of Glacier Orchestra and Chorale spoke in favor of funding.

Ms. Bailey showed a portion of a video on the orchestra performing. She provided a copy of their news letter: "Glacier Orchestra & Chorale Upbeat!". **EXHIBIT(jlh20a15)**

Questions from Committee Members and Responses:

SEN. TESTER asked what is a "run out performance". **Ms. Bailey** said it is a performance that is scheduled in the regular season but may be taken to another community or venue.

CHAIRMAN MCCANN closed the hearing on the **Glacier Orchestra and Chorale**, NO. 913, PG. 13.

{Tape : 5; Side : A; Approx. Time Counter : 280 - 423}

HEARING ON BOZEMAN SYMPHONY

CHAIRMAN MCCANN opened the hearing on the **Bozeman Symphony**, NO. 985, PG. 86.

Proponents's Testimony:

Karin Utzinger, Secretary of the Board of Directors, reviewed their project and spoke in favor of funding. She stated they are requesting funding for a challenge grant for an endowment program. She provided a pamphlet that explains the Montana tax law to encourage philanthropy. **EXHIBIT(jlh20a16)**.

Opponents' Testimony: None.

Questions from Committee Members and Responses:

CHAIRMAN MCCANN explained that the trust was cut back and traditionally the Long Range Building Program does not get involved in endowments. **Ms. Utzinger** stated that there has been endowments before. **CHAIRMAN MCCANN** replied to be fair, they would look that up.

SEN. TESTER commented that their work is appreciated and, if it does or does not get funded, he wanted Ms. Utzinger to know the committee appreciates what they do for their communities.

Carleen Layne stated that at the back of Volume 6 there is information on past challenge grants. The last endowment happened in 1998-1999 and was \$10,000 for Paris Gibson Square, Great Falls.

CHAIRMAN MCCANN closed the hearing on the **Bozeman Symphony**, NO. 985, PG. 86.

{Tape : 5; Side : A; Approx. Time Counter : 424 - 460}

HEARING ON BILLINGS SYMPHONY SOCIETY

CHAIRMAN MCCANN opened the hearing on the **Billings Symphony Society**, NO. 984, PG. 85.

Proponents' Testimony:

Bob Griffin reviewed their project and spoke in favor of funding. He gave the committee a pamphlet **EXHIBIT(jlh20a17)** on the endowment program for the Billings Symphony.

Opponents' Testimony: None.

Questions from Committee Members and Responses:

End of Tape. Nothing on Tape 5; Side B.

ADJOURNMENT

Adjournment: 12:05 P.M.

REP. MATT MCCANN, Chairman

ANDREA HYATT, Secretary

MM/AH

Taped by: Patti O'Reilly
Transcribed by: Cyndie Lockett
Edited by: Andrea Hyatt, Secretary

EXHIBIT (j1h20aad)